federal solvency standard could be coupled with a financial reward in the form of an interest rate supplementation for large trust fund reserve balances. A financial penalty for not achieving the standard could be assessed on the interest rate charges to states needing unemployment insurance loans.

The author maintains that federal policy could encourage states to adopt flexible financing arrangements which increase the cyclical responsiveness of unemployment insurance taxes, and possibly, benefits as well. The automatic tax increases and benefit reductions that would occur when a state's trust fund falls below predetermined thresholds would allow a state to operate with a lower average trust fund balance over the business cycle when compared to states that pre-fund against future contingencies. Vroman contends that a possible advantage of the lower balance is that it would help prevent benefit liberalizations that may be induced by higher trust fund balances.

Finally, under a cost reinsurance plan, the states would pay into a common fund and those with unusually bad experiences could receive payments from the common fund to cover part or all of the excess costs due to unforeseeable events. Under cost equalization, states experiencing costs (or unemployment rates) in excess of an absolute threshold from unusually bad economic circumstances beyond state control would have some or all of their excess costs covered from the U.S. Treasury or from a cost equalization fund. Under cost reinsurance or cost equalization, the author's position is that exclusive state responsibility for unemployment insurance financing would end. States with strong economic performance would assume part of the responsibility for benefit payments made in states experiencing weak performance.

In conclusion, *Unemployment Insurance Trust Fund Adequacy in the 1990's* is a provocative and timely writing about a controversial issue that should be of current interest to readers of the journal. This book is one of only a limited number dedicated to the major issue of unemployment insurance trust fund adequacy. As such, it does provide a detailed perspective on the various aspects of the subject.

The Additional Insured Book, by Donald S. Malecki and Jack P. Gibson (International Risk Management Institute, Inc., 1991.)

Reviewer: Don Hardigree, Director of The Institute for Insurance and Risk Management, Department of Finance, University of Nevada, Las Vegas.

The Additional Insured Book is a practical and comprehensive guide to the issue of providing additional insured status in liability insurance policies. In today's business environment, the request for additional insured status is commonplace. This book provides answers to many of the questions associated with this important topic, and is primarily aimed at providing risk management, insurance, and legal practitioners with a source of practical advice.

Within the 11 chapters of the text, the pertinent aspects of this important subject are addressed. Two basic issues are considered: (1) whether an organization should require that they be added as an additional insured on the policies of others, and (2) the disadvantages of adding others as additional insureds under the firm's policies. The authors provide a thorough discussion of the rationale for the use of additional insureds under liability insurance policies, as well as an analysis of advantages and problems associated with each of the various means of achieving the status of an additional insured.

The book is well structured. The first chapter is an executive summary, which previews the subsequent chapters. This is an excellent approach, as it provides the reader with an outline of the basic issues to be considered. The following three chapters differentiate named insured status, automatic insured status, and nonautomatic insured status. Within this section, the authors provide definitions, examples, obligations, pertinent legal cases, and problem areas. Chapter five focuses upon specific problems associated with additional insured status and is quite useful in terms of assessing the use of this method of securing insurance coverage. Other chapters deal with issues of severability of interests and cross liability, umbrella and excess liability insurance issues, certificates of insurance, and compliance problems. The final two chapters furnish information on standard and manuscript additional insured endorsements and the use of an owners and contractors protective liability insurance policy in lieu of achieving additional insured status. In addition, the authors provide useful supplements in the form of various appendices, a glossary, and a legal case index.

The legal case index provided in the book is valuable. It provides an excellent starting point for the interested reader to research legal ramifications germane to their area of legal jurisdiction. The authors provide some discussion of pertinent cases and legal strategies. However, state laws vary widely, and the legal environment is dynamic. Thus, one must specifically research any legal issues, rather than relying on the general legal interpretations offered in this book.

The Additional Insured Book would serve as an excellent supplemental resource. The scope of the book is narrow. But used in conjunction with other materials, such as the CPCU textbooks offered by the Insurance Institute of America or other textbooks, this book could be used for professional and/or academic purposes. For those engaged in risk management and insurance decision making, *The Additional Insured Book* offers valuable information. In addition, the book provides useful sources of reference material for interested readers. While not a theoretical or academic work, it is clearly a book to be added to the practicing risk management or insurance professional's library.

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